NEWS RELEASE

METRO HOLDINGS NET PROFIT INCREASES THREE-FOLD TO S$10.2 MILLION FOR 1QFY2015

- ***Boost from higher dividend income from Top Spring and unrealised fair value gains in short term investments***
- ***Revenue held steady at S$31.2 million***
- ***Maintains strong balance sheet with cash of S$280.3 million***
- ***Shareholders' equity of S$1.2 billion as at 30 June 2014***

Singapore, 11 August 2014 – Mainboard-listed Metro Holdings Limited ("Metro" or the "Group") ("美罗控股有限公司"), a property development and investment group backed by established retail operations in the region, recorded a three-fold (212.4%) increase in net profit to S$10.2 million for the three months ended 30 June 2014 ("1QFY2015"), compared to S$3.3 million in the previous corresponding period ("1QFY2014").

Revenue held relatively steady at S$31.2 million for 1QFY2015. Revenue for the Group's core Property Division slid 9.8% to S$2.4 million in 1QFY2015 from S$2.7 million in 1QFY2014 mainly due to lower occupancy at GIE Tower, Guangzhou and the weaker Renminbi which fell 1.5%. Occupancy for the Group's five investment properties in both China and Japan remained high, averaging around 93%.

Notwithstanding a competitive retail environment, sales from the Group's Retail division was up marginally (0.4%) to S$28.8 million in 1QFY2015.

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Overall, the Group's profit before tax climbed 209.5% to S$11.2 million in 1QFY2015, from S$3.6 million in 1QFY2014. The increase was largely contributed by a 74.9% higher dividend income of S$4.9 million for 1QFY2015, from a higher strategic voting stake in Top Spring International Holdings Ltd which was increased from 6.11% in 1QFY2014 to 19.7% in 1QFY2015. In addition, the Group recorded unrealised fair value gains of S$2.2 million in 1QFY2015 against unrealised fair value loss of S$4.6 million in 1QFY2014 for its portfolio of short term equity investments in REITs held by the Property Division. Share of results of jointly controlled entities rose from S$5.7 million in 1QFY2014 to S$7.4 million in 1QFY2015 as Metro City, Shanghai reported higher rental income and lower refurbishment costs whilst EC Mall in Beijing reported higher rental income.

This increase was partially offset by share of results of associates – a loss of S$0.7 million in 1QFY2015 against a profit of S$0.3 million in 1QFY2014. This is largely due to the Retail Division's Indonesian associate reporting a small loss as a result of its challenging operational environment notwithstanding improved sales.

Accordingly, with the higher bottomline, earnings per share improved from 0.4 Singapore cents in the previous corresponding period to 1.2 Singapore cents in the latest period.

Metro's Chairman, Lt Gen (Rtd) Winston Choo (朱维良), said, "Whilst we remain firmly focused on our property portfolio in Tier-1 Chinese cities, this year, through selective investments, we have further expanded our portfolio to cover a fuller spectrum of properties in other geographical markets.

"Working with strategic partners like Top Spring, Wing Tai and more recently, Scarborough Group International, our property portfolio has expanded to include mixed-use developments, residential developments as well as serviced apartments in markets such as China, Singapore and the UK. This asset and geographical diversification will allow us to broaden the sources of our revenue streams and move towards sustained profitability.

"With effective asset portfolio rebalancing, we now have almost 142,000 sq m of prime retail and office properties across our key markets of China and Japan. Beyond commercial properties, our portfolio now includes almost 931,000 sq m of mixed-use and residential developments. We have a strong cash position with good headroom to capitalise on value-accretive opportunities as they arise."

Strong Balance Sheet

The Group's balance sheet remains strong with cash holdings of S$280.3 million and shareholders' equity of approximately S$1.2 billion as at 30 June 2014.

Outlook

In China, Metro City, Shanghai is on track to proceed with the next phase of the reconfiguration exercise in the next few months, with rental expected to remain steady in the meantime.

The Group's residential properties in the prime Hong Gu Tan CBD area of Nanchang, China, held through associate Nanchang Top Spring Real Estate Co., Ltd, in which Metro holds a 30% stake, are being sold in phases. In 1QFY2015, 52,391 sq m gross floor area was presold for HK$854.6 million (approximately S$137.8 million). This brings total sales to date as at 30 June 2014 to HK$1.68 billion (approximately S$270.8 million). Completion of the first phase for handover of the Nanchang project is currently scheduled for late 2014/early 2015 when these sales can be booked in accordance with the Financial Reporting Standards.

In Singapore, The Crest at Prince Charles Crescent, a 469-unit luxurious condominium designed by famed Japanese architect Toyo Ito, is currently being soft launched notwithstanding the more subdued market sentiment. This development is expected to be completed in late 2016.

Metro's Retail Division continues to experience competitive pressures in the retail environment as well as increasing operational costs in both Singapore and Indonesia. The Group's new department store, Metro Centrepoint, is scheduled to launch in 3QFY2015.

About Metro Holdings Limited

Listed on the Main Board of the SGX-ST in 1973, Metro Holdings started out in 1957 as a textile store on 72 High Street. Over the years, Metro has grown to become a property and retail group with operations and investments in the region.

Today, the Group operates two core business divisions – property development and investment, and retail – and is focused on key markets in the region such as China, Indonesia and Singapore.

Property Development and Investment

The Group's property arm owns and manages several prime retail and office properties in first-tier cities in China, such as Beijing, Shanghai and Guangzhou. It has expanded its portfolio to cover a fuller spectrum of properties and also holds significant investments in certain property businesses. This includes mixed-use and residential developments in China, Singapore and more recently, the United Kingdom.

Retail

Metro's retail arm serves customers through a chain of four Metro department stores in Singapore, and another nine department stores in Indonesia. The Metro shopping brand is an established household name in the retail industry, and offers a wide range of quality merchandise over 1.4 million square feet of downtown and suburban retail space in Singapore and Indonesia.

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